

**CALIFORNIA CODE OF REGULATIONS, TITLE 10,
CHAPTER 5, SUBCHAPTER 1, ARTICLE 9**

RH-02024458

CREDIT INSURANCE AGENT LICENSING REGULATIONS

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Section 2192.1. Authority

The Insurance Commissioner has promulgated this article pursuant to Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999).

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999) Reference: Insurance Code sections 1758.9 - 1758.994.

Section 2192.2. Applicability

This article applies to all credit insurance agents, all applicants for a credit insurance agent license, and all persons who transact credit insurance, whether licensed or not.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999) Reference: Insurance Code sections 1758.9 - 1758.994.

Section 2192.3. Definitions

The following definitions apply to these regulations and to Article 16.7 of Chapter 5 of Part 2 of Division 1 of the Insurance Code (commencing with Section 1758.9):

(a) "Authorized insurer" means an insurance company holding a certificate of authority from the California Insurance Commissioner, and that is permitted by that certificate of authority to transact the kinds of insurance enumerated in Insurance Code section 1758.96.

(b) "Sell" has the same meaning as "enrollment," as that term is defined in Insurance Code section 1758.992(a).

(c) "Solicit" means to mention the availability of credit insurance to a current or prospective debtor, to recommend or suggest consideration of credit insurance to a current or prospective debtor, or to ask a current or prospective debtor if he or she might be interested in obtaining credit insurance.

(d) "Endorsee" means a natural person who is authorized by the Commissioner to sell or solicit credit insurance and is employed by a credit insurance agent organization.

(e) "Commission" means any tangible or intangible thing of value, the existence, size, quality or quantity of which depends on the quantity or value of credit insurance solicited, sold, or enrolled by the person receiving the commission. "Commission" does not include salary paid to an employee of a creditor who sells, solicits, or enrolls, as long as the amount of the salary does not depend on the quantity or value of credit insurance solicited, sold, or enrolled by the employee.

(f) "Compensation," as that term is used in Insurance Code section 1758.98(c), has the same meaning as "commission."

(g) "Fee," for the purpose of section 1758.98(c), shall have the same meaning as "commission."

(h) "Material terms and conditions," as that phrase is used in Insurance Code section 1758.97(a)(1), means all terms and conditions that, if known by or communicated to a sophisticated, prospective purchaser of credit insurance, would more likely than not influence that purchaser's decision to buy or not buy the insurance on the stated terms.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1634(h), 1758.9, 1758.91, 1758.92(a)(2), 1758.92(b), 1758.93, 1758.93(b), 1758.94(a), 1758.94(b), 1758.95(a), 1758.95(b), 1758.95(c), 1758.96, 1758.97, 1758.97(b)(3), 1758.97(e), 1758.98(a), 1757.98(b), 1757.98(c), 1758.992(a).

Section 2192.4. Applications; license term

- (a) A separate license must be applied for and obtained by each natural person (i.e., individual) before that person acts as a credit insurance agent. A separate license must be applied for and obtained by each organization before that organization acts as a credit insurance agent.
- (b) A natural person may sell, solicit, or otherwise transact credit insurance and receive a commission as a licensed credit insurance agent or as an endorsee of an organization that holds a credit insurance agent license. A natural person may be named simultaneously as an endorsee of multiple organizations that hold credit insurance agent licenses.
- (c) A credit insurance agent license, whether issued to an individual or an organization, is valid for twelve months, and must be renewed annually by the anniversary of the issue date.
- (d) An individual credit insurance agent license applicant must obtain electronic fingerprint impressions from the Department's vendor for that service, using the Request for Live Scan Service Form 442-39A). The manager of each business location of an organization licensed as a credit insurance agent must obtain electronic fingerprint impressions from the Department's vendor for that service, using the Request for Live Scan Service (Form 442-39A).

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.9 - 1758.93.

Section 2192.5. Fees

- (a) A \$300 fee must be paid at the time a credit insurance agent license application is filed with the Department. A \$30 fee for each endorsee must accompany the organization endorsement appointment form.
- (b) A \$274 fee must be paid at the time a credit insurance agent license renewal application is filed with the Department. A \$4 fee must be paid at the time an endorsee renewal application is filed with the Department.
- (c) The Commissioner must refuse to issue a credit insurance agent license if the appropriate fees do not accompany the application.
- (d) Subject to Insurance Code Sections 12978 and 1758.92 (a)(3), the Commissioner may increase or decrease the fees set forth above to reflect the actual costs associated with processing the application and renewal transactions.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.92(a)(3), 12978.

Section 2192.6. Disclosure

- (a) All disclosures required by Insurance Code sections 1758.97(a) and (b) must be printed and must be clear and conspicuous.

(b) An insurer must include in the evidence of coverage it provides to a purchaser, pursuant to Insurance Code section 1758.97(c), all provisions the insurer could rely upon to deny a claim. An insurer may not rely upon a policy provision to deny a claim unless that provision was included in the evidence of coverage.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.97(a-c).

Section 2192.7. Training

(a) The training materials required by Insurance Code Section 1758.93(b) must be prepared and submitted to the Commissioner, and must include training for all insurance products to be sold.
(b) Retraining of endorsees must be conducted whenever there is a change in the insurance product(s) sold, but in no event less frequently than every two (2) years for each endorsee.
(c) If training materials have been developed by an insurer and approved by the Department of Insurance, the licensee may submit, in lieu of the training materials, a letter, signed by the licensee's manager or a corporate officer, stating that the licensee will use the approved training materials filed by the insurer.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.93(a)(2), 1758.93(b and c), 1758.94(a).

Section 2192.8. Records

Credit insurance agents must comply with the provisions of Insurance Code section 1727 and Article 7 of Chapter 5 of Subchapter 1 of Title 10 of the California Code of Regulations, commencing with section 2190.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.9 - 1758.994.

Section 2192.9. Forms

(a) The Commissioner requires credit insurance agent applicants and licensees to submit the following forms for the following purposes:
(1) The written application for licensure must be made using Form 441-9 for individuals and using Form 441-11 for organizations.
(2) The credit insurance agent notice of appointment must be made using Form LIC.CI 20.
(3) The employee affidavit of training and knowledge must be made using Form LIC.CI 50.
(4) The annual certificate of compliance and listing of authorized endorsees must be made using Form LIC.CI 40.
(5) The annual training material submission must be made using Form LIC.CI 10.
(6) Fingerprint impressions must be requested, and their having been taken evidenced by completion and submission to the Department of a Request for Live Scan Service using Form 442-39A.
(7) Organization endorsements must be made using Form 411-8A.

(b) Training materials submitted to the Commissioner must contain all of the elements set forth in Form LIC.CI 30.

(c) All forms set forth in this section are incorporated herein by reference in their entirety and are available upon request, by telephone or in writing, to the Department of Insurance, and on the Department of Insurance website, www.insurance.ca.gov.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.92(a)(1 and 2).

Section 2192.10. Certifications

Any certification required by Article 16.7 of Chapter 5 of Part 2 of Division 1 of the Insurance Code (commencing with Section 1758.9) must be made under penalty of perjury under the laws of the State of California.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.92(a)(1 and 2), and 1758.93(a)(2).

Section 2192.11. Limitations on the authority of the credit insurance agent to transact

Pursuant to Insurance Code section 1758.96, a person licensed as a credit insurance agent may not sell credit insurance in connection with the loan in excess of \$60,000 relating to or secured by real property, or where the repayment period for any loan or extension of credit exceeds 10 years.

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.96.

Section 2192.12. Endorsee termination and renewal

The Department must provide an organization that holds a credit insurance agent license a list of its endorsees 90 days prior to the renewal of the organization's license. The organization must terminate endorsees no longer employed by the organization by striking through those endorsees' names, having an officer sign and date the list, and returning the list to the Department along with the renewal fees for the non-stricken, active endorsees. The organization must return the endorsee list with an Annual Certificate of Training and List of Endorsee Form LIC.CI 40 to certify that the endorsees have received required training. The submission of the list to the Department will satisfy the credit insurance agent's duty to submit an annual listing of endorsees pursuant to Section 1758.93(b).

NOTE: Authority cited: Statutes of 2000, Chapter 321, Section 8 (Assembly Bill No. 393, 1999)
Reference: Insurance Code sections 1758.93(a)(3), 1758.93(b).